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DOCKET NO. 56479

APPLICATION OF HORSESHOE BEND	§	PUBLIC UTILITY COMMISSION
WATER COMPANY FOR GOOD	§	
CAUSE EXCEPTION TO THE EXTEND	§	OF TEXAS
THE TIME TO FILE ITS RATE	§	
APPLICATION WITH THE NOTICE	§	
OF APPROVAL IN DOCKET NO. 50085	§	

**JOINT MOTION TO ADMIT EVIDENCE
AND PROPOSED ORDER**

Horseshoe Bend Water Company (Horseshoe Bend) and the Staff (Staff) of the Public Utility Commission of Texas (Commission) (collectively, the Parties) file this Joint Motion to Admit Evidence and Proposed Order. In support thereof, the Parties show the following:

I. BACKGROUND

On April 12, 2024, Horseshoe Bend Water Company (Horseshoe Bend) filed an application for a good cause exception to extend the time to file its rate-change application under 16 Texas Administrative Code (TAC) § 24.25(b)(1)(C) and as ordered in Docket No. 50085,¹ to April 1, 2025. On July 12, 2024, the Commission administrative law judge (ALJ) filed Order No. 4, requiring the Parties to submit a joint motion to admit evidence and joint proposed findings of fact, conclusions of law, and ordering paragraphs by August 9, 2024.² Therefore, this motion is timely filed.

II. MOTION TO ADMIT EVIDENCE

The Parties request the entry of the following items into the record of this proceeding:

- a. Horseshoe Bend’s application, including all attachments, filed on April 12, 2024 (Interchange Item No. 2);
- b. Commission Staff’s recommendation on sufficiency of the application and notice, and proposed procedural schedule, filed on May 9, 2024 (Interchange Item No. 4);

¹ *Application of Castle Water, Inc. dba Horseshoe Bend Water System and Horseshoe Bend Water Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County*, Docket No. 50085 (Nov. 19, 2022).

² Order No. 6 Amending Procedural Schedule (Jul. 12, 2024).

- c. Commission Staff's supplemental recommendation, filed on May 28, 2024 (Interchange Item No. 6);
- d. Horseshoe Bend's proof of notice, filed on July 3, 2024 (Interchange Item No. 8);
- e. Commission Staff's supplemental recommendation on sufficiency of notice, filed on July 8, 2024 (Interchange Item No. 9); and
- f. Commission Staff's recommendation on final disposition filed on July 26, 2024 (Interchange Item No. 11).

III. PROPOSED NOTICE OF APPROVAL

The Parties have agreed on the attached Joint Proposed Order, provided herein as Attachment A, which would grant approval of Horseshoe Bend's request for good cause exception. The Parties request that the ALJ adopt the proposed findings of fact, conclusions of law, and ordering paragraphs in the Joint Proposed Order.

IV. CONCLUSION

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence, and that the attached Joint Proposed Order be adopted.

Respectfully submitted,

SPENCER FANE, LLP
816 Congress Avenue
Suite 1200
Austin, TX 78701
Telephone: (512) 840-4550
Facsimile: (512) 840-4551

William A. Faulk, III
State Bar No. 24075674
cfaulk@spencerfane.com

/s/ Rashmin J. Asher
Rashmin J. Asher
State Bar No. 24092058
rasher@spencerfane.com

**ATTORNEYS FOR HORSESHOE BEND
WATER COMPANY**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on August 8, 2024, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Rashmin J. Asher

Rashmin J. Asher

DOCKET NO. 56479

APPLICATION OF HORSESHOE BEND § PUBLIC UTILITY COMMISSION
WATER COMPANY FOR GOOD §
CAUSE EXCEPTION TO THE EXTEND § OF TEXAS
THE TIME TO FILE ITS RATE §
APPLICATION WITH THE NOTICE §
OF APPROVAL IN DOCKET NO. 50085 §

JOINT PROPOSED ORDER

This Order addresses the application of Horseshoe Bend Water Company, LLC (Horseshoe Bend) for a good cause exception to extend the time to file its rate-change application under 16 Texas Administrative Code (TAC) § 24.25(b)(1)(C) and as ordered in Docket No. 50085,¹ to April 1, 2025. The Public Utility Commission of Texas (Commission) approves good cause exception to Horseshoe Bend's May 24, 2024, base-rate filing deadline and the extension of the deadline to April 1, 2025.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Horseshoe Bend is a Texas limited liability company registered with the Texas secretary of state under file number 803436754.

Application

2. Horseshoe Bend's most recent comprehensive base-rate case was addressed by the Commission in Docket No. 50085.
3. Under 16 TAC § 24.25(b)(1)(C), Horseshoe Bend is required to file a rate-change application within 18 months from the date service begins to revise its rates to be based on a historic test year.
4. On November 19, 2022, in Docket No. 50085, the Commission administrative law judge (ALJ) filed a Notice of Approval requiring, among other things, that Horseshoe Bend file

¹ *Application of Castle Water, Inc. dba Horseshoe Bend Water System and Horseshoe Bend Water Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County*, Docket No. 50085, Notice of Approval (Nov. 19, 2022).

a comprehensive base-rate application by no later than 18 months of the date of the Notice of Approval, or May 28, 2024.²

5. On April 12, 2024, Horseshoe Bend filed an application requesting a good cause extension of Horseshoe Bend's rate-change application filing deadline under 16 TAC § 24.25(b)(1)(C) and under the Commission's order in Docket No. 50085.
6. The application requests that Horseshoe Bend's existing rate-filing deadline be extended to April 1, 2025.
7. On May 9, 2024, Commission Staff filed its recommendation on the application and recommended that the application be found administratively complete.
8. In Order No. 2 filed on May 14, 2024, the ALJ found the application sufficient.
9. On July 26, 2024, Commission Staff filed its recommendation on final disposition recommending approval of the good cause waiver.

Notice

10. Notice of the application was provided by July 1, 2024, to affected customers.
11. On July 3, 2024, Horseshoe Bend filed the affidavit of Bryan Thomas, President and General Manager of Hearthstone Water, Inc., attesting that notice was provided as set forth above.
12. In Order No. 4 filed on July 12, 2024, the ALJ found the notice sufficient.

Evidentiary Record

13. In Order No. ___ filed on August __, 2024, the ALJ admitted the following evidence into the record of this proceeding:
 - a. Horseshoe Bend's application, including all attachments, filed on April 12, 2024;
 - b. Commission Staff's recommendation on sufficiency of the application and notice, and proposed procedural schedule, filed on May 9, 2024;
 - c. Commission Staff's supplemental recommendation, filed on May 28, 2024;

² *Id.* at 11, Finding of Fact No. 9.

- d. Horseshoe Bend's proof of notice, filed on July 3, 2024;
- e. Commission Staff's supplemental recommendation on sufficiency of notice, filed on July 8, 2024; and
- f. Commission Staff's recommendation on final disposition, filed on July 26, 2024.

Good Cause Exception

- 14. To have a fully representative test year that reflects the time and investment required for taking over a distressed utility and to allow for planned capital improvements and for the installation of new meters providing more accurate usage and billing data, there is good cause to extend the deadline in 16 TAC § 24.25(b)(1)(C) and under the Commission's order in Docket No. 50085 by which Horseshoe Bend must file for a comprehensive base-rate review from May 24, 2024 until April 1, 2025.

Informal Disposition

- 15. More than 15 days have passed since the completion of the notice provided in this docket.
- 16. No person filed a protest or motion to intervene.
- 17. Horseshoe Bend and Commission Staff are the only parties to this proceeding.
- 18. No party requested a hearing and no hearing is needed.
- 19. Commission Staff recommended approval of the application.
- 20. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

- 1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.041, 13.181, and 13.1872.
- 2. Horseshoe Bend is a utility, public utility, and water utility as those terms are defined in TWC § 13.002(23) and 16 TAC § 24.3(39).
- 3. Horseshoe Bend is a Class C utility as that term is defined in TWC § 13.002(3-d) and 16 TAC § 24.3(7).

4. Horseshoe Bend provided notice of the application in compliance with 16 TAC § 22.55.
5. The application was processed in accordance with the requirements of PURA, the Administrative Procedure Act,³ and Commission rules.
6. Good cause exists to grant the requested extension of Horseshoe Bend's base-rate case filing deadline until April 1, 2025.
7. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission grants for good cause an exception to Horseshoe Bend's May 24, 2024, base-rate filing deadline to the extent provided in this Order.
2. Horseshoe Bend must file its initial base-rate case under 16 TAC § 24.25 on or before April 1, 2025.
3. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the _____ day of August, 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

REBECCA BROMLEY-WILLIAMS
ADMINISTRATIVE LAW JUDGE

³ Tex. Gov't Code §§ 2001.001–.903.